

# **The Harms of Cocaine Trafficking in the Netherlands and Belgium: Policy Insights from Comparative Assessment**

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# Outline

## ➤ Policy context and questions

- Approach to analysis
- Findings
- Policy insights
- References

# Policy context

- Law enforcement agencies worldwide prioritize cocaine (and other drug) trafficking
  - To reduce supply and, thus, consumption of drugs
  - Because of involvement of organized crime (OC) and related harms of violence, corruption, money laundering
- Literature suggests improbability of supply reduction
  - Policy bodies and scholars increasingly call for supply-oriented applications of harm reduction principles

# Research questions

- What harms are associated with trafficking?
  - How severe and frequent are they?
  - What causes them?
  - Can we identify patterns across venues?
- Do harms of trafficking justify prioritization?

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# Comparison of two cases

	Belgium (BE)		The Netherlands (NL)	
Market position	Major entry point for EU		Major entry point for EU	
Sources of evidence				
Criminal proceedings	52	2003-2009	10	2001-2011
Organized crime database files	81 total; 42 additional	2006-2008	--	--
Official reports and statistics	Yes	Various	Yes	Various
Interviews				
Law enforcement experts	15	2010-2011	28	2011-2012
Imprisoned traffickers/dealers	12	2010-2011	13	2011-2012
Scientific literature and media reports	Yes	Various	Yes	Various

# Harm assessment framework

Construct business model



Identify possible harms and bearers  
(taxonomy)

Rate  
severity  
of harm  
(scale)



Evaluate severity and  
incidence of harm



Rate  
incidence of  
criminal activity  
and of harm in  
relation to  
criminal activity  
(scale)

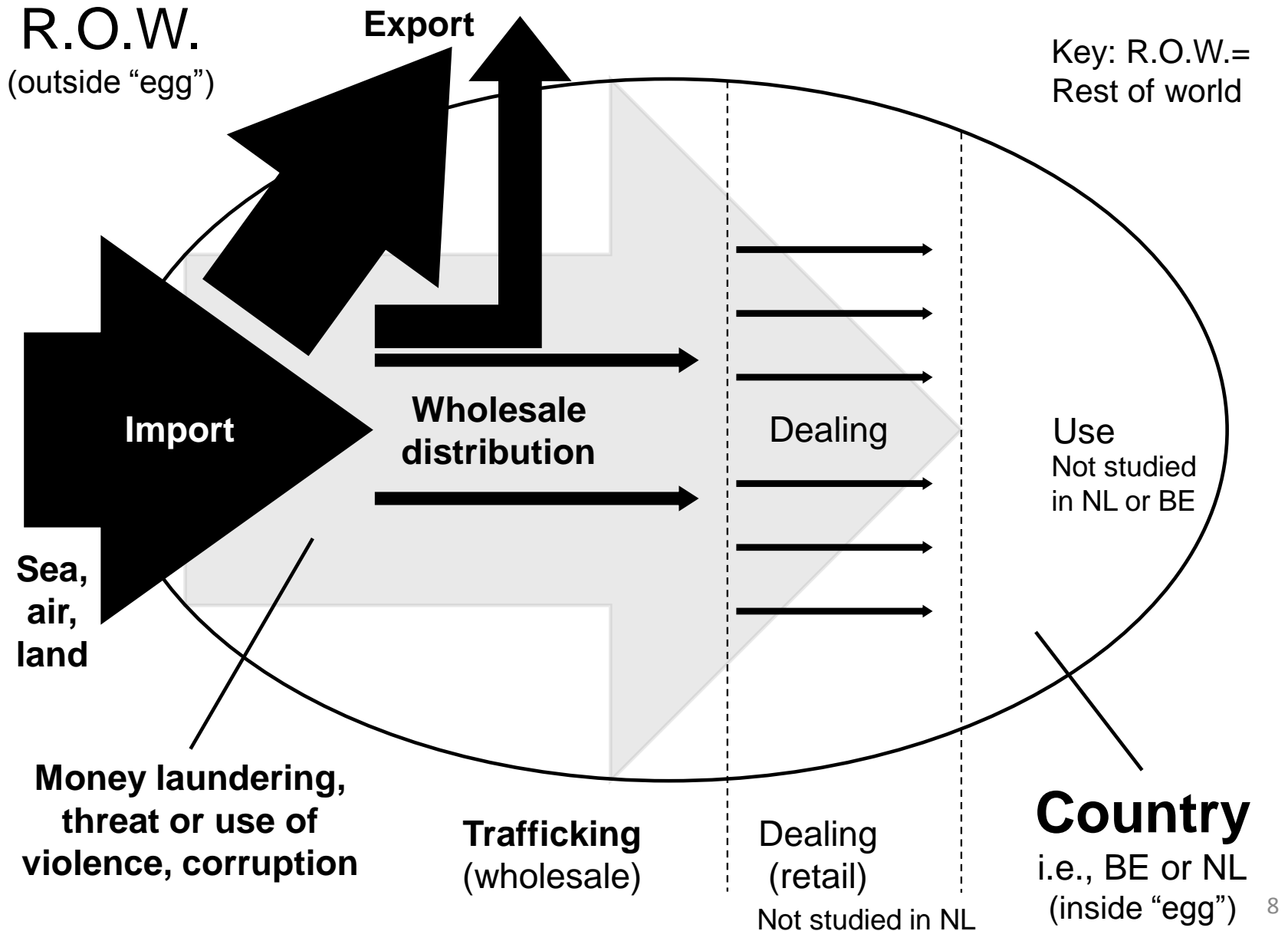


Prioritize harms  
(matrix)



Establish causality of harm

# Analysis considers harms within borders





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# Working through harm assessment process

**Construct business model**



Identify possible harms and bearers  
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Prioritize harms  
(matrix)



Establish causality of harm

# Business models in BE and NL similar

- Imports far exceed consumption in both countries
- Cocaine enters mainly via air (Schiphol, Brussels) and sea (Rotterdam, Antwerp), using like tactics
- Trafficking over land occurs between NL and BE and to/from other markets, but open borders impede detection
- Data on wholesale distribution and export are sketchy, but NL plays greater distributional role, with more exchanges
- Little evidence of government corruption in either country, but facilitation occurs in logistics sector
- Revenues largely smuggled or stashed, but some laundering occurs through businesses and investment
- Limited violence in both countries, but violence in NL might be somewhat greater than in BE

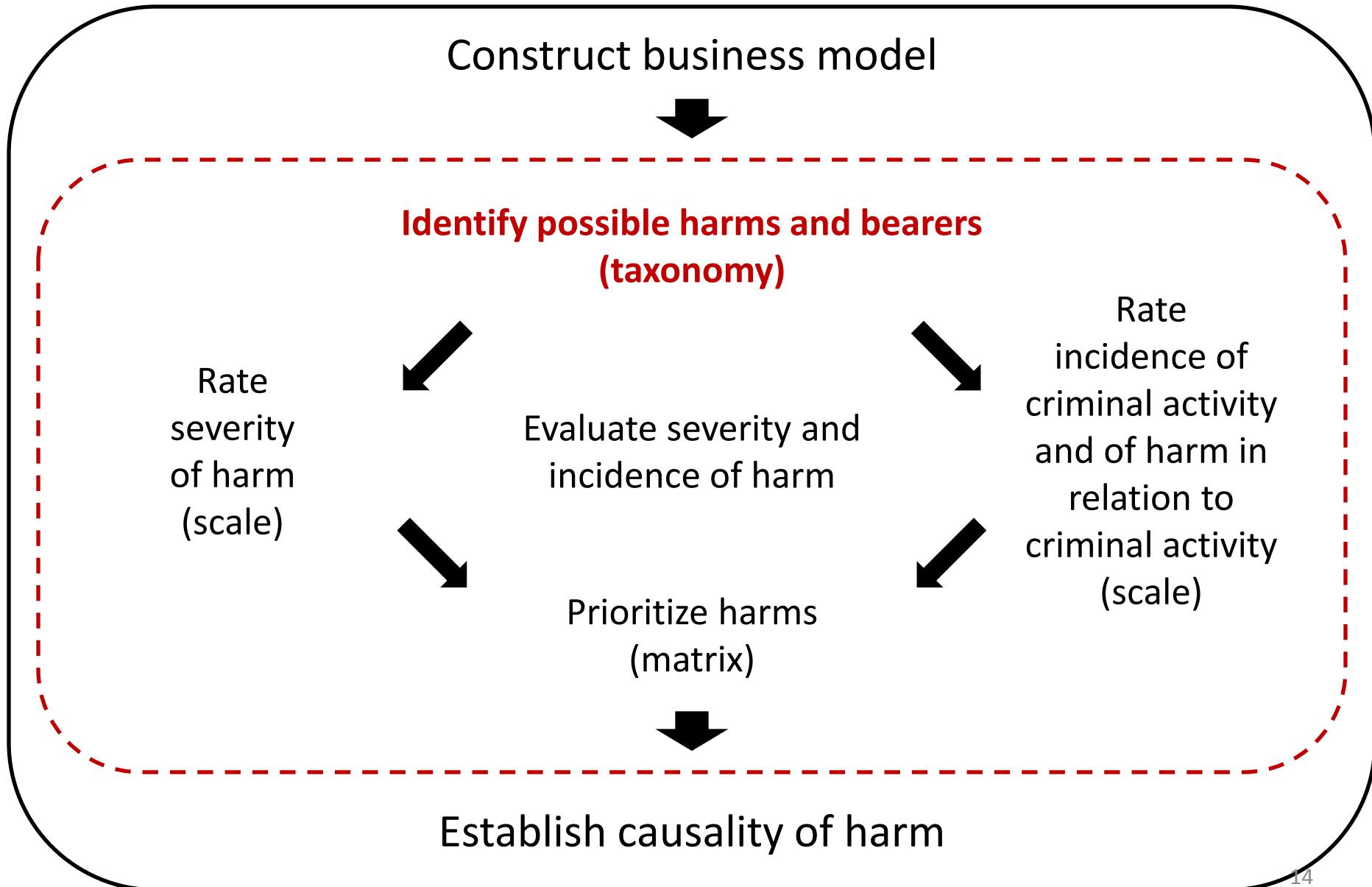
# NL is “hub” not just entry point

- Large shipments entering BE and NL are cut and repackaged in NL for further distribution throughout Europe
- Several NL-based traffickers orchestrate shipments along entire supply chain
  - Have origin in and/or links to former Dutch colonies in Central America
  - Represent Colombian organizations
  - Maintain high-level intercontinental contacts

# Evidence of violence in NL

- Criminal proceedings provide evidence of violence/threats in NL, mostly among traffickers
  - E.g., planned murder, blackmailing, rip-deals, kidnapping
  - Seizures of weapons or armored cars
- Experts confirm picture and add some cases of fatal violence and of fatal accidents (7 in last 10 years) in NL
- Convicted traffickers also indicate use of violence
  - Six of 13 were victims/offenders of serious violence, 2 witnesses
  - One trafficker convicted of murder in cocaine conflict
- WODC monitor indicates average of 10 drug-related (non-specific, incl. users) violent deaths/year in 1992-2009

# Working through harm assessment process



# Taxonomy delineates types and bearers

	BEARER OF HARM			
	Individuals	Private-Sector Entities	Government Entities	Environment
TYPE OF HARM				
Functional integrity	X*	X**	X**	X***
Material interests	X	X	X	n/a
Reputation	X	X	X	n/a
Privacy	X	X	X	n/a

SOURCE: Authors (2013) drawing from von Hirsch and Jareborg (1991) and others.

NOTES: X = applicable; n/a = not applicable;

\* Functional integrity = Physical and psychological integrity;

\*\* Functional integrity = Operational integrity;

\*\*\* Functional integrity = Physical, operational, and aesthetic integrity

# Possible harms span individuals, entities, and interests

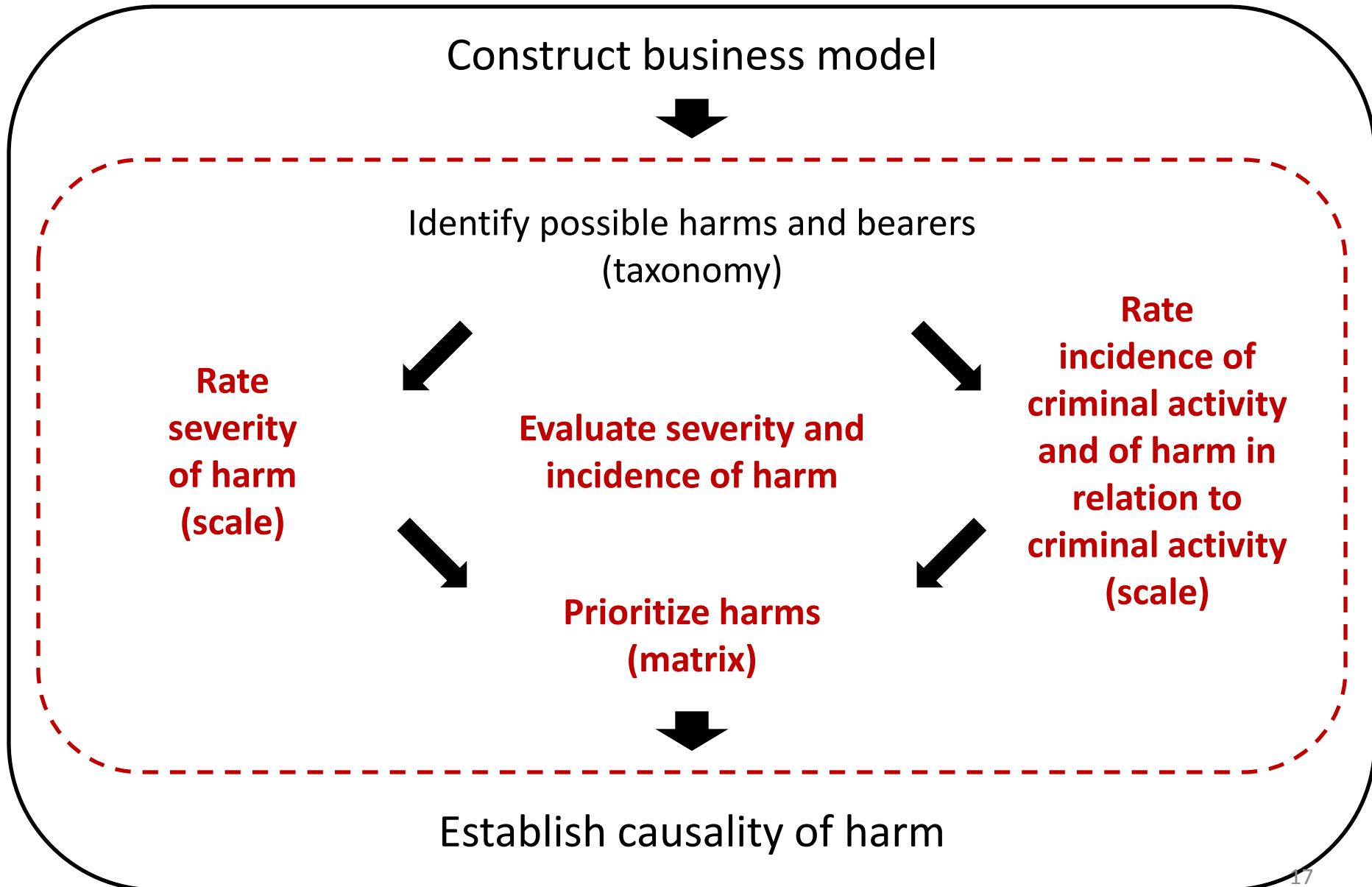
	Trafficking	Money laundering	Corruption	Violence
<b>Functional integrity</b>	Ind (LL) PVT	PVT* GVT (NL only)	PVT GVT	Ind (LL)
<b>Material interests</b>	Ind PVT GVT	PVT (NL only)	PVT GVT	Ind GVT
<b>Reputation</b>	Ind PVT GVT	PVT* GVT	PVT GVT	Ind GVT
<b>“Privacy”</b>	Ind PVT	GVT (NL only)	PVT GVT	n/a

NOTES: Ind = Individual; LL = including loss of life; PVT = private sector; GVT = Government; NL = Netherlands; n/a = not applicable.

\*Omitted from our prior (published) analysis of cocaine trafficking in Belgium.



# Working through harm assessment process



# Common benchmarks gauge severity

<b>SEVERITY RATING</b>	Level of <b>individual's living standard</b> at which damage occurs	Level of <b>entity's mission capability</b> at which damage occurs
<b>Catastrophic</b>	1°: Subsistence, consisting of survival, but with maintenance of no more than elementary capacities to function	1°: Viability, consisting of survival, but with maintenance of no more than elementary capacities to function
<b>Grave</b>	2°: Minimal standard of living	2°: Minimal mission capabilities
<b>Serious</b>	3°: Adequate standard of living	3°: Adequate mission capabilities
<b>Moderate</b>	4°: Enhanced standard of living	4°: Enhanced mission capabilities
<b>Marginal</b>	Negligible or no effect at any level	Negligible or no effect at any level

SOURCES: Authors (2013) drawing from von Hirsch and Jareborg's (1991), living standard approach, and Sen's (1987) work on capabilities.

# Incidence provides grounding for prioritizing harms

Matrix of severity, incidence, and priorities

SEVERITY	INCIDENCE				
	Continuously	Persistently	Occasionally	Seldom	Rarely
Catastrophic	VH	H	H	H/M	M/H
Grave	H	H	H/M	M/H	M
Serious	H	H/M	M/H	M	L
Moderate	H/M	M/H	M	L	L
Marginal	M/H	M	L	L	L

SOURCE: Authors based on Greenfield and Camm (2005), US Army (2001, 2014).

NOTES: **VH** = very high; **H** = high; **M** = medium; **L** = Low priority.

**Cocaine trafficking persistent in BE and NL (daily, weekly)**

# Actual harms to individuals similar in NL & BE\*

	Severity	Incidence**	Priority	Activity
<b>HARMS TO INDIVIDUALS, specifically to their:</b>				
<b>Functional integrity</b>				
Loss of life	Catastrophic	Rarely	H/M <sub>I</sub>	<ul style="list-style-type: none"> <li>- Trafficking (i.e., fatal injuries to body packers)</li> <li>- Trafficking (i.e., fatal accidents) <b>(NL only)</b></li> <li>- Violence in trafficking (e.g., murder) <b>(NL only)</b></li> </ul>
Other physical and psychological	Grave	Rarely	M <sub>I</sub>	<ul style="list-style-type: none"> <li>- Trafficking (i.e., non-fatal injuries to body packers)</li> <li>- Violence in trafficking (e.g., assault)</li> </ul>
	Serious	Rarely	L <sub>I</sub>	"
	Moderate	<b>Seldom (NL)</b> <b>Rarely (BE)</b>	L <sub>I</sub>	"
	Marginal	<b>Seldom to Occasionally (NL)</b> <b>Rarely to seldom (BE)</b>	L <sub>I</sub>	- Violence in trafficking (e.g., petty assault)
	Marginal	Rarely	L <sub>I</sub>	- Trafficking (i.e., non-fatal injuries to body packers)
Only psychological	Marginal	Occasionally	L <sub>I</sub>	<ul style="list-style-type: none"> <li>- Trafficking (i.e., non-fatal injuries to body packers)</li> <li>- Violence in trafficking (e.g., intimidation)</li> </ul>
<b>Reputation</b>	Moderate	See above***	L <sub>I</sub>	- Violence in trafficking (e.g., assault)
	Marginal	See above***	L <sub>I</sub>	- Violence in trafficking (e.g., petty assault, intimidation)

\*Estimates exclude harms associated with cocaine dealing and use.

\*\*Overall incidence, accounting for incidence of activities and of harms in relation to activities.

\*\*\*Maps to incidence of episodes of violence.

# Actual harms to others similar in NL & BE\*

	Severity	Incidence**	Priority	Activity
<b>HARMS TO PRIVATE-SECTOR ENTITIES, specifically to their:</b>				
<b>Functional integrity</b>	Marginal	Occasionally	L <sub>PS</sub>	- Corruption in trafficking
	Marginal	Rarely	L <sub>PS</sub>	- <b>Money laundering (NL only)</b>
<b>Material interests</b>	Marginal	Rarely	L <sub>PS</sub>	- <b>Money laundering (NL only)</b>
<b>Reputation</b>	Marginal	Occasionally	L <sub>PS</sub>	- Corruption in trafficking
	Marginal	Rarely	L <sub>PS</sub>	- <b>Money laundering (NL only)</b>
<b>“Privacy”</b>	Marginal	Occasionally	L <sub>PS</sub>	- Corruption in trafficking
<b>HARMS TO GOVERNMENT ENTITIES, specifically to their:</b>				
<b>Functional integrity</b>	Marginal	Rarely	L <sub>G</sub>	- Corruption in trafficking - <b>Money laundering (NL only)</b>
<b>Material interests</b>	Moderate	See above***	L <sub>G</sub>	- Trafficking and violence (i.e., medical treatment of fatal and non-fatal overdoses and assaults)
	Marginal	See above***	L <sub>G</sub>	- Violence (i.e., medical treatment of petty assaults)
<b>Reputation</b>	Marginal	Rarely	L <sub>G</sub>	- Corruption in trafficking - <b>Money laundering (NL only)</b>
	Marginal	Persistently	M <sub>G</sub>	- All criminal activities (i.e., non-enforcement effect)

\*Estimates exclude harms associated with cocaine dealing and use.

\*\*Overall incidence, accounting for incidence of activities and of harms in relation to activities.

\*\*\*Maps to incidence of episodes of overdose and/or violence.

# Working through harm assessment process

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Evaluate severity and  
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(scale)



Prioritize harms  
(matrix)



**Establish causality of harm**

# Policy plays substantial role in non-use-related harms, other harms TBD

- Most non-use-related, direct harms arise from illegal status and specific enforcement practices
  - Harms associated with trafficking, violence, money laundering, and corruption studied in BE and NL
  - Harms of dealing studied only in BE
- Use-related harms are “remote” and to-be-determined
  - To what extent are they really caused by trafficking?
  - Some harms arise from properties of drug, but policy, modes of enforcement, etc. also play part

# Summary of findings

- Harms of trafficking mostly “L,” with few exceptions, despite large flows\* and OC involvement
  - Difference in role (hub and exchanges), might, speculatively, explain higher incidence of violence in NL, but
  - Not enough difference to yield higher priority rankings
- Harms appear to accrue largely in relation to risks and opportunities for compensation across venues
- Harms of trafficking mostly due to drug-control policy and law enforcement practices in both venues

\*Use-related harms likely much larger, but they are “remote” and not assessed in this analysis



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# Insights for policy

- Neither flows nor OC involvement constitute strong indicators of priority
- Trafficking, *per se*, might not warrant prioritization on basis of non-use harm
- If policy “works” by inserting compensable risk, then related harms might be unavoidable

**What are alternatives?**

# Outline

- Policy context and questions
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## ➤ References

# References

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**Back up slides**

# **As in BE, cocaine entering NL far exceeds consumption**

- National Crime Squad (2004) estimates 4-5.4 tons of cocaine consumed annually in NL
- Seizures registered by Dutch police between 2000 and 2010 range from 6.4 tons in 2000 to 17.6 tons in 2003
- National Crime Squad (2004) suggests that 40-50 tons of cocaine enter NL each year

# **As in BE, cocaine enters NL mainly via air and sea routes**

- 75% of seizures involve air route (WCO, 2004)
- 79% of quantities seized is transported by sea (WCO, 2012)
- Main entry points are Rotterdam Port and Schiphol airport
  - Antwerp port and Brussels airport are “pendants” in BE
- Much less known about land route and other ports, airports
  - Dutch police have little information on, smaller airports and ports, inland navigation, trafficking over land
  - Belgian data shows that considerable share of cocaine smuggled through Antwerp is meant for NL

# Sea route NL: Rotterdam port

- Largest container port of Europe—11 million containers passed through in 2010
- Cocaine arrives on ships, mostly
  - In containers
  - “Hitchhiking” on legitimate ships
  - With cooperation of local port workers/ crew of sea vessels
- Seizures range from few kilograms to several tons
- At least 14 cocaine ‘secondary extraction’ laboratories found in NL in 2005-2007
  - Three deaths since 2001 (no lab information for BE)





# Air route NL: Schiphol airport

- Cocaine arrives mainly from Latin America and Caribbean
- Smuggling by passengers
  - 3,934 couriers arrested in 2007-2009 under '100% control policy' of flights from Venezuela, Peru, etc. (2003+)
  - Cocaine is hidden in luggage, on/in body
    - At least five body-packers have died since 2008
    - In 2010, police spent work 2,200 hours in the hospital
  - 27 Schiphol employees arrested for complicity in 2007-2011
- Smuggling by cargo
  - Cocaine is sent in mail packages or hidden in containers
  - At least 46 episodes of involvement of Schiphol employees (e.g., baggage handlers) in cargo smuggling each year in 2007-11

# **As in BE, little corruption in NL government, but facilitation in logistics**

- Proceedings, including additional bribery proceedings (2003-2007), expert interviews provide little evidence of drug-related government corruption
- Proceedings describe non-governmental facilitation
  - Crews of sea vessels
  - Employees of Schiphol airport
  - Employees of other transportation and dispatching companies
  - Lawyers and other professionals\*
- Most traffickers report no experience with corruption
  - Four mentioned corruption in private sector and two in public sector

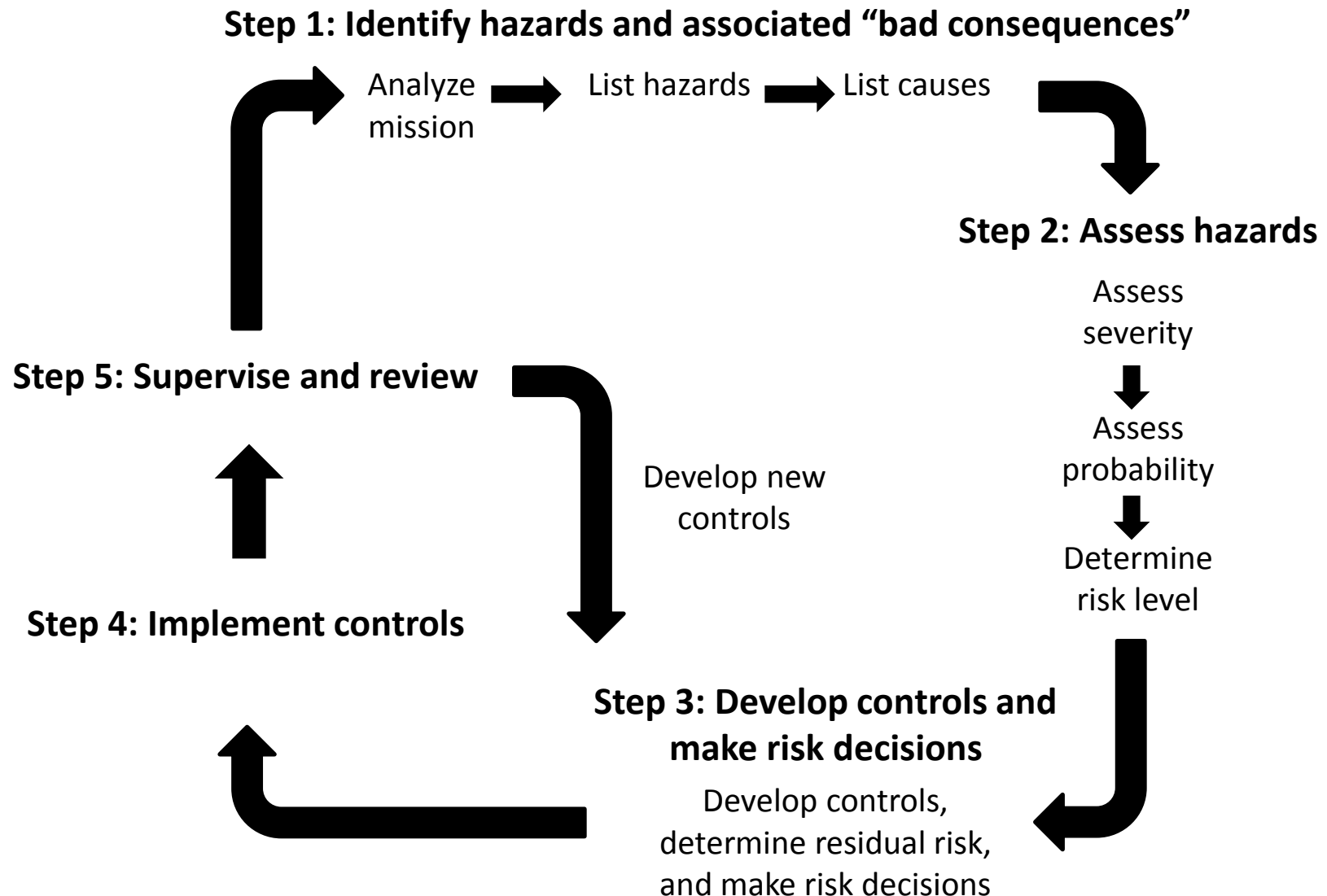
\*One government employee (bookkeeper) also served as financial facilitator. See related point on financial facilitation and “money laundering.”

# **As in BE, money in NL often smuggled or stashed, but also laundered directly**

- Large amounts of money smuggled to other countries
- Money that stays in NL is
  - Hidden as cash
  - Spent on luxury goods
  - Invested in real estate, (shell) companies, hotel/catering firms
- Employees hide origin of money in fake transactions
- Lawyers, notaries, accountants, and other professionals also serve, at times, as “financial facilitators”\*

\*One government employee (bookkeeper) also served as financial facilitator.

# 5-Step Risk Management Process



# Possible harms, individuals (NL, BE)

	Traffic	Money laundering	Corruption	Violence	Bearers
<b>Functional integrity (Loss of life)</b>	X	n/a	n/a	X	Body-packers and, in NL, other traffickers in cases of fatal injuries, fatal accidents (e.g., explosions of extraction labs), suicides or murders
<b>Functional integrity (Other)</b>	X	n/a	n/a	n/a	Body-packers and other traffickers in cases of nonfatal injuries, other persons misused without consent
	n/a	n/a	n/a	X	Traffickers, facilitators, and government officials targeted by use or threat of violence
<b>Material interests</b>	X	n/a	n/a	X	Ancillary to functional harms (health)
<b>Reputation</b>	X	n/a	n/a	n/a	Persons misused without consent
	n/a	n/a	n/a	X	Traffickers, facilitators and government officials targeted by use or threat of violence
<b>“Privacy”</b>	X	n/a	n/a	n/a	Persons misused without consent <sup>37</sup>

# Possible harms, private-sector entities (NL, BE)

	Traffic	Money laundering	Corruption	Violence	Bearers
Functional integrity	X	n/a	X	n/a	Transport/import businesses, e.g. if corrupt officials/employees or traffickers misuse assets
	n/a	X*	n/a	n/a	Companies of lawyers and accountants facilitating money laundering
Material interests	X	X (NL only)	X	n/a	Ancillary to functional harms (property) and independent (e.g., property, wages associated with neglect of duties)
Reputation	X	n/a	X	n/a	Transport/import businesses, e.g. if corrupt officials/employees or traffickers misuse assets, even if businesses are unaware of exploitation
	n/a	X*	n/a	n/a	Companies of lawyers and accountants facilitating money laundering
“Privacy”	X	n/a	X	n/a	Transport/import businesses, e.g. if corrupt officials/employees or traffickers misuse assets

\*Omitted from our prior (published) analysis of cocaine trafficking in Belgium.

# Possible harms, government (NL, BE)

	Traffic	Money laundering	Corruption	Violence	Bearers
<b>Functional integrity</b>	n/a	<b>X</b> (NL only)	<b>X</b>	n/a	Government agencies, i.e., if officials/representatives engage in corrupt practices, incl. neglect of duties, and money laundering
<b>Material interests</b>	<b>X</b>	n/a	<b>X</b>	<b>X*</b>	Ancillary to functional harms (health) and independent (e.g., wages associated with neglect of duties)
<b>Reputation</b>	n/a	<b>X</b> (NL only)	<b>X</b>	n/a	Government agencies, i.e., if officials/representatives engage in corrupt practices, incl. neglect of duties, and money laundering
	<b>X</b>	<b>X</b>	<b>X</b>	<b>X</b>	Government writ large, if it cannot enforce its laws
<b>"Privacy"</b>	n/a	<b>X</b> (NL only)	<b>X</b>	n/a	Government agencies, i.e., if officials/representatives engage in corrupt practices, incl. neglect of duties, and money laundering

\*Omitted from our prior (published) analysis of cocaine trafficking in Belgium.

# **As in BE, cocaine trafficking in NL is persistent criminal activity**

- National Crime Squad (2004) suggests that 40-50 tons of cocaine enters the Netherlands each year
  - 20+ tons of cocaine might enter and/or transit BE through Antwerp each year (U.S. State Department, 2006 and 2010)
- Trafficking is at least “persistent” given
  - Variability of shipment quantities (grams to tons)
  - Frequency of seizures, and
  - Market position of NL relative to BE